Government of Saskatchewan

Annual Report 1985-86

Saskatchewan Economic Development and Trade

The Market Development Fund

87-05915/

The Market Development Fund

To His Honour,
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province of Saskatchewan

Sir:

I have the honour to submit the Twelfth Annual Report of The Market Development Fund for the period April 1, 1985 to March 31, 1986.

I have the honour to be, Sir,

Your obedient servant
Bob Andrew
Minister of Economic Development and Trade

The Market Development Fund

Honourable Bob Andrew
Minister of Economic Development and Trade

Dear Sir:

It is my pleasure to present the Twelfth Annual Report of The Market Development Fund for the period April 1, 1985 to March 31, 1986.

Respectfully submitted
Dan Gagnier
Deputy Minister of Economic Development and Trade
and Chairman of the Market Development Committee

Constitution of the Market Development Committee

Market Development Committee

Dan Gagnier, Chairman, Saskatchewan Economic Development and Trade
Doug Maley, Vice-Chairman, Saskatchewan Agriculture
Rodrigo M. Yanez, Saskatchewan Economic Development and Trade
Doug Currie, Saskatchewan Finance
John A. Buchan, Saskatchewan Agriculture

CONTENTS

I. Organization 4

II. Objectives 4

III. Activities of the Fund 4

A. TRADE SHOWS AND EXHIBITIONS 5

World Angus Forum
Wild Rice Marketing Program
Australia Livestock Show
Royal Agricultural Society Conference, Australia
Royal Show, Stoneleigh, England
Charolais Promotion,
Royal Agricultural Show
Saudi Agriculture '85 Show
OMEK Exhibition '85
Maine-Anjou Purebred Cattle Sale
Incoming British Buyers, Agribition 1985
Incoming Buyers, Agribition 1985

B. MARKETING MISSIONS 6

U.S. Market Development, Saskatchewan Honey
Export Saskatchewan Agricultural Technology
Organic Producers Marketing Mission
Alfalfa Market Development, Taiwan
Angus Mission, Bulgaria, West Germany, England

C. AGRICULTURAL MARKET PROMOTION 7

Saskatchewan Hereford Association Market Expansion Program
Alfalfa Promotional Display and Brochure
Processed Meats Marketing Promotion
Piedmontese Breed Promotion Brochure
Dehydrated Alfalfa Promotional Materials
Canola Export Development Mission
Pakistan Drainage Projects
Singapore Delegation Tour
Select Commercial Cattle Sale

D. PACKAGING, PRODUCT AND PROCESS DEVELOPMENT 8

Fresh Pack Perogies Market Development

E. MARKET INTELLIGENCE, RESEARCH, BUSINESS AND FEASIBILITY STUDIES 8

Semen Market Development and Distribution, U.S.A.
Mushroom Market Research and Feasibility
Agricultural Technology Transfer to U.S.S.R.
Canadian Embryo Transfer Mission, Paris
Woolproducts Development
Saudi Poultry Farm Study
Saskatchewan Wild Rice Promotion
South Jordan Irrigated Agriculture Project
Dehydrated Alfalfa Export Program

I. Organization

The Market Development Fund was established under The Agricultural Products Market Development Fund Act, 1974, which was proclaimed by the Lieutenant Governor-in-Council on February 4, 1975. Regulations further defining activities of the Fund were made by Order-in-Council on April 29, 1975. The Act was amended by The Agricultural Products Market Development Fund Amendment Act, 1985, Statutes 1984-1985, Chapter 25. Monies allocated for the purpose of The Market Development Fund are provided as an appropriation in the Department of Economic Development and Trade budget.

The Fund is administered by the Market Development Committee which is established under the Act and is composed of representatives from the Departments of Agriculture, Finance, and Economic Development and Trade.

The Fund was transferred to the Department of Economic Development and Trade effective April 1, 1984. The purpose for the transfer was to emphasize the marketing requirements which are developing in the agriculture industry and to assist the co-ordination of the marketing priorities of the Department of Economic Development and Trade with producers' needs. The move has been beneficial, resulting in efficient internal administration, as well as providing a focus for improved marketing efforts by food manufacturers and agricultural product producers.

II. Objectives

The Market Development Fund was established to assist and encourage the exploration, development and expansion of markets for agricultural products produced, or capable of being produced, in Saskatchewan. Assistance from the Fund is available on a cost-shared basis to individuals, corporations, co-operatives or marketing agencies for the following purposes: trade and market development; product or process development; marketing intelligence; marketing research; business and feasibility studies; transport capability development. Assistance may take the form of grants, loans, forgivable loans, goods or services.

III. Activities of the Fund

During the year under review, The Market Development Fund provided financial assistance to a wide range of projects including domestic and international trade exhibits, marketing missions, promotions, a product and process development project and several marketing studies. Some projects are long term and assistance will span several years; others were initiated and completed during the year.

A. Trade Shows and Exhibits

World Angus Forum

The Saskatchewan Angus Association received $16,440 to support a display of Saskatchewan angus cattle at the World Angus Forum in Edmonton in 1985. In addition to the display of angus cattle the project involved development of a breeder directory, printing posters, design of special pins and a banner, plus other promotional items. The assistance enabled promotion and sale of live cattle, semen and embryos, and afforded an opportunity to advertise the Canadian Western Agribition directly to visitors from outside Canada.

Wild Rice Marketing Program

The Saskatchewan Indian Agricultural Program Inc. received $9,993 to participate in the International Food and Drink Exhibition in London, England to promote Saskatchewan wild rice. Other project activities included production of wild rice brochures and miniature cookbooks, plus a slide tape presentation depicting the large, black, organically grown kernels as a premium Saskatchewan product.

Australia Livestock Show

The Saskatchewan Hereford Association received $2,139 to attend the Royal Sydney Livestock Show in Sydney, Australia. In addition to attendance at the Show the project included visits to 17 livestock operations, University of New South Wales, Agricultural Business Research Institute, Australian Polled Hereford Society Junior Heifer Show, and a bull sale. This promotion of Saskatchewan herefords through brochures and video tapes has encouraged two Australian horned hereford breeders and 11 polled hereford breeders to spend time in Saskatchewan during tours of North America.

Royal Agricultural Society Conference, Australia

Canadian Western Agribition received $2,837 to attend the Royal Agricultural Society of the Commonwealth Conference Tour in Australia. The objective was to follow up on Australian purchases of Saskatchewan livestock at the Canadian Western Agribition and to make new contacts with potential buyers. The delegation also made an offer to Royal Society's executive to host the 1987 Royal Show in conjunction with Agribition.

Royal Show, Stoneleigh, England

The Canadian Western Agribition received $1,426 to attend the 1985 Royal International Agriculture Show in Stoneleigh, England. The participants used this opportunity to distribute literature and promote the quality of the livestock displayed at Canadian Western Agribition. This promotion together with follow-up on previous purchases of Saskatchewan livestock resulted in 30 visitors from the UK to Agribition in 1985.

Charolais Promotion, Royal Agricultural Show

Northern Charolais Farm received $1,175 to attend the Royal Agricultural Show at Stoneleigh, England. The mission followed up on previous sales of charolais cattle and contacted a number of potential buyers of Saskatchewan polled charolais in an effort to encourage their attendance at Canadian Western Agribition. Meetings were held as well with the executive of the Charolais Society of Great Britain and the Polled Charolais Society of Great Britain to promote Saskatchewan charolais cattle.

Saudi Agriculture '85 Show

The Agricultural Development Corporation of Saskatchewan (Agdevco) received $9,196 to represent Saskatchewan agriculture at the Saudi Agriculture Show. Agdevco assisted three Saskatchewan farm equipment manufacturing companies to attend the show in order to promote the concept of a turnkey dryland farming package at Saudi Agriculture '85. The package consisted of farming equipment suitable to wheat production plus the technology and management expertise which could develop desert regions into productive wheat growing areas.

OMEK Exhibition '85

The Agricultural Development Corporation of Saskatchewan (Agdevco) received $9,587 to attend the OMEK Exhibiiton in Budapest, Hungary. The Show presented a unique opportunity for Agdevco to follow up on

previous sales of cattle in an effort to maintain visibility in the Hungarian market. In addition to further sales of cattle, emphasis was placed on the potential for sales of Saskatchewan farm equipment and strengthening our negotiating position in other Eastern European countries.

Maine-Anjou Purebred Cattle Sale

El Centro Sales Management received $421 to assist with costs of promoting a special auction sale of Saskatchewan beef cattle. The project assisted a selection of American buyers from the Northern States to attend the sale and personally assess the high quality of Canadian beef cattle. The Americans purchased 23 head of cattle to upgrade their breeding stock.

Incoming British Buyers, Agribition 1985

Canadian Western Agribition Association received $4,437 to invite two buyers from the United Kingdom for this major international livestock show and sale. The two invited buyers were instrumental in encouraging an additional 30 livestock buyers to attend, thus providing a broad United Kingdom exposure to Agribition and Western Canadian breeding stock.

Incoming Buyers, Agribition 1985

Canadian Western Agribition Association received $1,305 to invite foreign buyers to the 1985 show and sale to promote Agribition as a major international livestock event, and to encourage international sales of Saskatchewan breeding livestock. Canadian Western Agribiton is a tremendous opportunity for Saskatchewan to demonstrate high quality breeding stock.

B. Marketing Missions

U. S. Market Development, Saskatchewan Honey

Howlands Honey received $6,994 to develop the U.S. market for white Saskatchewan honey. The Howlands attended the Denver "Solo Food Show" and the "California Grocer's Association Fancy Food and Confection Show" with samples of creamed product for sampling by brokers, distributors and wholesalers attending the shows.

Export Saskatchewan Agricultural Technology

The Agricultural Development Corporation of Saskatchewan (Agdevco) received $3,337 to assist with final negotiations of a contract for export of Saskatchewan agricultural technology. The contract involved provision of technical services for development of 15,000 hectares of farmland in Saudi Arabia and is expected to establish a base for development of other potential projects and product marketing in the area.

Organic Producers Marketing Mission

The Canadian Organic Producers Marketing Co-Operative Ltd. received $775 to promote Saskatchewan organically produced agricultural products in Western Canada and Northwestern U.S.A. The trip enabled the Co-Operative to contact wholesalers and retailers of organic products and provide assurances as to the Co-Operative's self-imposed standards. Valuable personal contacts were made, so essential to the successful marketing of organic products.

Alfalfa Market Development, Taiwan

The Alfalfa Group received $7,930 to develop a market for alfalfa in Taiwan. The objective of the project was to contact feed manufacturers in Taiwan, familiarize them with the nutritional advantages of alfalfa pellets, and develop a sufficient volume of business to take advantage of bulk ocean freight rates. This required the use of professional technical personnel to conduct seminars, perform feeding trials and maintain person to person contact with feed manufacturers on a periodic basis.

Angus Mission to Bulgaria, West Germany, England

The Saskatchewan Angus Association received $1,200 to send a mission to three European countries to promote the sale of Saskatchewan angus cattle. The mission followed up on previous sales to Bulgaria and was successful in bringing three breeders from each of England and West Germany to purchase Saskatchewan beef cattle.

C. Agricultural Market Promotion

Saskatchewan Hereford Association Market Expansion Program

The Saskatchewan Hereford Association received $1,071 to produce a video and breeders' directory for promotion of purebred hereford cattle in world markets. These promotional materials emphasize the quality of Saskatchewan cattle and are being distributed to key contacts in Australia, Japan, U.S.A., and Europe.

Alfalfa Promotional Display and Brochure

The Alfalfa Group received $9,250 to promote Saskatchewan alfalfa in domestic and international markets. Project activities included preparation of a corporate profile brochure and a portable display unit to demonstrate the financial stability of The Alfalfa Group and the high quality of Saskatchewan alfalfa at trade fairs and shows.

Processed Meats Marketing Promotion

Flying Dutchman Enterprises Ltd. received $4,169 to conduct an advertising program to increase market share for sausage products. The campaign consisted of in-store demonstrations to encourage sampling of the product, radio advertising to publicize product names, and TV listings advertising to differentiate the products from those of competitors.

Piedmontese Breed Promotion Brochure

The Canadian Piedmontese Association received $4,000 for production of a brochure to promote the sale of Saskatchewan Piedmontese cattle. The brochure contains information on the origin of this breed, its unique double muscling characteristics, and the high quality of meat from both purebred and cross-bred animals.

Dehydrated Alfalfa Promotional Materials

Kapt-al Services Ltd. received $14,299 to produce promotional materials to assist the sale of dehydrated alfalfa products in the Quebec market. The project consisted of development of a brochure to introduce the company, its operators and its products as well as a slide tape presentation to enhance the impact at dealer seminars.

Canola Export Development Mission

POS Pilot Plant Corporation received $2,538 to attend the American Oil Chemists Society World Conference in Cannes, France, and a technical meeting of the same organization in Mexico City. POS presented a paper on degumming and refining of canola oils in a rare opportunity at the Cannes conference to reach 1,000 technical people from around the world, and in Mexico City where there is a gradually increasing awareness of canola products.

Pakistan Drainage Projects

The Agriculture Development Corporation of Saskatchewan (Agdevco) received $2,823 to assist with development of a contract with H.E. Langer (Canada) Corporation. The Langer Corporation has developed a relationship with Pakistan where up to one billion dollars may be spent on land drainage and improvement. Through a joint venture company an attempt will be made to secure some of the Pakistan contracts for the benefit of Saskatchewan and Saskatchewan companies.

Singapore Delegation Tour

Prairieland Stock Farm received $300 for touring a delegation of Singapore buyers to purebred swine farms in the province. The visit of Singapore buyers was the direct result of a mission to Singapore in 1984 by the owner of Prairieland Stock Farm. The buyers are expected eventually to make purchases of Canadian swine.

Select Commercial Cattle Sale

EXL Ranch Ltd. received $613 to bring in buyers from Ontario for a cattle sale. Foreign buyers were a valuable addition to the sale arena of this special event which was sponsored by three stock farms in an attempt to expose Saskatchewan livestock to a wider buying public, thereby increasing sales and prices.

D. Packaging, Product and Process Development

Fresh Pack Perogies Market Development

Saskatoon Fresh Pack Potatoes Ltd. received $9,573 to undertake the Prairie Fresh Pack Foods "Perogies" Market Development project in Manitoba and Ontario. Project activities included seeking product listings with wholesale merchandise buyers, calling on individual retail outlets, conducting in-store demonstrations and preparing market materials to broaden the existing market and stimulate consumer awareness of processed and frozen foods.

E. Market Intelligence, Research, Business and Feasibility Studies

Semen Market Development and Distribution, U.S.A.

The Saskatchewan Artificial Breeders Co-Operative Ltd. received $2,802 to promote and establish an export market and distribution system in the United States for elite, Saskatchewan-owned beef sires from the Yorkton artificial insemination unit. Promotional literature and an export semen catalogue were developed and distributed to all major American bull owners and semen users.

Mushroom Market Research and Feasibility

Quality Mushroom Farms Ltd. received $13,150 to research the market, hence the feasibility of mushroom farming in Saskatchewan. The study delved into all aspects of the marketing and distribution of mushrooms, which forms an integral part of the background information upon which strategy and operational plans can be based.

Agricultural Technology Transfer to U.S.S.R.

The Agricultural Development Corporation of Saskatchewan (Agdevco) received $2,200 to participate in a symposium organized by the Soviet Union's Committee on Science and Technology. The main objective was to present Saskatchewan's methods of forage, feed-grain and livestock technology and to promote this as a superior alternative to European systems due to the similarity of geographic and climatic conditions between Canada and the U.S.S.R.

Canadian Embryo Transfer Mission, Paris

The Canadian Embryo Transfer Association (CETA) received $776 to attend an embryo transfer standards conference in Paris, France. The Association was successful in informing the conference about the latest bovine embryo-disease research and technology, and that from a regulatory point of view the embryo be accepted as a separate entity. This will be a great benefit to Canada and other countries involved in embryo transfer.

Woolproducts Development

O. C. Bunny Woolproducts received $89 to perform a spinning test of angora fiber blended with wool. The company is researching the possibility of creating a vertical business operation extending from the raising of angora rabbits through to production of an exclusive line of finished angora wool products.

Saudi Poultry Farm Study

O & T Poultry Farms Ltd. received $8,676 to study the possibility of managing the operation of a large poultry operation in Saudi Arabia. The project involved attendance at a newly constructed poultry production facility, analysis of requirements for completion and operation, and submission of a project management proposal to the owners. Successful negotiation of a contract could lead to long term contracts for the supply of Saskatchewan feed grains and birds plus processing technology and capital equipment. It could also lead to further similar management contracts involving operation of projects such as greenhouses and irrigation farms.

Saskatchewan Wild Rice Promotion

LaRonge Industries Ltd. received $1,760 to promote Northern Saskatchewan wild rice at the Lion's Club District Convention in Minot, North Dakota. A unique method of promotion using a special wild rice recipe was used to

introduce this product to 750 delegates. If successful, the same method could be used to promote wild rice to an international convention of Lions which would draw 5,000 delegates from 157 countries.

South Jordan Irrigated Agriculture Project

The Agricultural Development Corporation of Saskatchewan (Agdevco) received $16,643 to develop a joint venture contract with the Farm Development Management Company in Cyprus. The joint venture contract will lead to further development of an agreement with a Jordanian consortium to manage their agricultural project of 10,000 hectares based on centre pivot irrigated crop production requiring millions of dollars worth of equipment and manpower, which could be sourced in Saskatchewan.

Dehydrated Alfalfa Export Program

The Canadian Dehydrators Association received $3,000 to send a mission to Japan to increase Japanese appreciation for the value of dehydrated alfalfa in feed rations. The main objective of the project was to determine the content of a seminar series designed to promote alfalfa. Sub-objectives were to learn about the current Japanese feed situation, investigate potential new markets and provide current information to Japanese dehy users.

The Market Development Fund

Financial Statements

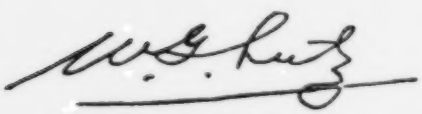
Year Ended March 31, 1986

Auditor's Report

To the Members of the Legislative Assembly
Province of Saskatchewan

I have examined the balance sheet of The Market Development Fund as at March 31, 1986 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Fund as at March 31, 1986 and the results of its operations and the changes in its financial position for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Regina, Saskatchewan
May 13, 1986

Statement 1
The Market Development Fund
Balance Sheet
As at March 31

	1986	1985
Assets		
Due from Consolidated Fund (Note 6)	$269,420	$426,306
Fund Balance		
Fund balance, beginning of year	$426,306	$355,659
Excess of (expenditure over revenue) revenue over expenditure - Statement 2	(156,886)	70,647
Fund balance, end of year	$269,420	$426,306

(See accompanying note to the financial statements)

Statement 2
The Market Development Fund
Statement of Revenue and Expenditure
Year Ended March 31

	1986	1985
Revenue		
Transfer from the Department of Economic Development and Trade	$ 14,038	$294,250
Refund of prior year's expenditure	6,000	—
	20,038	294,250
Expenditure		
Financial assistance (Schedule 1) (Note 3)	176,924	222,500
Administration costs	—	1,103
	176,924	223,603
Excess of (expenditure over revenue) revenue over expenditure - Statement 1	$156,886	$ 70,647

(See accompanying notes to the financial statements)

The Market Development Fund
Note to Financial Statements
March 31, 1986

1. Authority

The Market Development Fund is a special purpose fund established under the provisions of The Agricultural Products Market Development Fund Act. The Fund consists of monies transferred to it from sums appropriated out of the Consolidated Fund for that purpose by the Legislature. The Market Development Committee, also established under terms of the Act, may make grants and loans considered necessary for the promotion and development of markets for agricultural products produced or to be produced in the province. Assistance is provided by the Committee subject to the approval of the Minister of Economic Development and Trade.

2. Accounting Policies

The accounts of the Fund are maintained on a cash basis whereby revenue is recorded as received and financial assistance is recorded when paid.

In some cases, recipients may be required under certain conditions to repay all or a portion of assistance received from the Fund. Repayments from recipients are classified as refunds in the year repayment is subsequently received (See Note 3).

3. Financial Assistance Recoverable

The following schedule summarizes the amounts of financial assistance paid in the current and previous years which remain subject to repayment by recipients under certain conditions:

Fiscal Year Assistance Paid	Amount Subject to Repayment April 1, 1985	Current Year Payments (Repayments)	Amounts Earned or Written off	Amount Subject to Repayment March 31, 1986
1981-82	$ 40,148	-	-	$ 40,148
1982-83	30,476	-	-	30,476
1983-84	21,781	-	-	21,781
1984-85	22,500	-	-	22,500
1985-86	-	60,000		60,000
	$114,905	$60,000	$	$174,905

4. Outstanding Project Commitments

As applications for financial assistance are considered and approved by the Market Development Committee and the Minister, the projects are considered to be committed for administrative purposes although payments may be subject to the satisfaction of certain conditions or may be payable from monies appropriated for the Fund in future periods. The total of outstanding project commitments at March 31, 1986 is $418,875 (1985 - $215,195).

5. Related Party Transactions

Administration costs are paid by the Department of Economic Development and Trade with the exception of certain costs of printing and professional services provided directly for the benefit of the Market Development Committee. No provision for the costs borne by the Department is included in the financial statements.

6. Due from Consolidated Fund

Pursuant to a Minister of Finance Order, the monies in The Market Development Fund have been deposited to the credit of the Fund at no interest in the Consolidated Fund of the Province.

Schedule 1
The Market Development Fund
Schedule of Financial Assistance
Year Ended March 31, 1986

Applicant	Project	Payments 1985/86
Saskatoon Fresh Pack Potatoes	Fresh Pack Perogies Market Development	$ 9,573
Artificial Breeders Co-operative	U.S. Market Development and Distribution	2,802
Saskatchewan Hereford Association	S.H.A. Marketing Program	1,071
Wink Howland	Howland's Honey, US Market Development	6,994
The Alfalfa Group	The Alfalfa Group promotion display and brochure	9,250
Flying Dutchman Enterprises	Flying Dutchman Product Promotion	4,169
Agdevco	Market Development Saskatchewan Agriculture Technology, Riyadh	3,337
Saskatchewan Angus Association	World Angus Forum '85 Edmonton	16,440
Piedmontese Association	Piedmontese Breed Promotion Brochure	4,000
Organic Producers Marketing Co-op	Organic Producer Marketing Mission	775
S.I.A.P. Marketing Company Ltd.	S.I.A.P. Wild Rice Marketing Program '85	9,993
Reg Carmichael	Mushroom Market Research/Feasibility Study	13,150
Kapt-al Services Ltd.	Kapt-al Dehydration Promotion Material	14,299
Agdevco	Agricultural Technological Transfer to USSR	2,200
Canadian Embryo Transfer Association	C.E.T.A. Standards Mission, Paris	776
Saskatchewan Hereford Association	S.H.A. Sydney Australia Livestock Show	2,139
Agribition	Royal Agricultural Society of The Commonwealth	2,837
Argribition	Royal Show Stoneleigh England	1,426
O.C. Bunny Woolproducts	O.C. Bunny Woolproducts Developments	89
O & T Poultry	Saudi Al Wahah Poultry Farm Study	8,676
The Alfalfa Group	The Alfalfa Group '85 Marketing Project	7,930
Norhelm Charolais	Royal Agricultural Show 1985, England	1,175
La Ronge Industries Ltd.	Northern Saskatchewan Wild Rice Promotion - Minot	1,760
Agdevco	Saudi Agriculture '85 Show	9,196
Saskatchewan Angus Association	Angus Association Bulgaria/West Germany mission	1,200
Agdevco	OMEK Exhibition '85	9,587
POS Pilot Plant	POS Export Development Mission	2,538
Agdevco	South Jordan Irrigated Agriculture Project	16,643
El Centro Sales Management	Three Elite Purebred Cattle Sale	421
Canada Dehydrators Association	Canadian Dehydrators Alfalfa Export Program	3,000
Agdevco	H.E. Langer (Canada), Corp. Agriculture Project Pakistan	2,823
Prairieland Stockfarm	Prairieland Stock Farm, Singapore Delegation Tour	300
EXL Ranch Ltd.	Select Commercial Sales, Lloydminster, 1985	613
Canadian Western Agribition	Incoming Buyers, Agribition '85	1,305
Canadian Western Agribition	Incoming British Buyers, Agribition '85	4,437
		$176,924